

# United States Senate

WASHINGTON, DC 20510

December 21, 2011

The Honorable Leon E. Panetta  
Secretary, U.S. Department of Defense  
1400 Defense Pentagon  
Washington, D.C. 20301-1400

As you are well aware, the issue of commercial solicitation on military installations has long been a concern of military advocates and one that strongly implicates both financial and mission readiness. Many were first exposed to these troubling practices through the 2004 *New York Times* series documenting sales agents who were given access to Soldiers, especially young troops. These agents proceeded to use high-pressure, deceptive tactics to sell mutual funds and life insurance products many soldiers did not understand, may not have needed, and that often were not suitable for them. The series concluded, "because of industry lobbying, Congressional pressure, weak enforcement and the Pentagon's ineffective oversight, almost no action has been taken to sanction those responsible or to better protect those who are vulnerable."

In response to that coverage and the ensuing public outcry, in 2006, Congress required the Department of Defense (DoD) to issue new regulations relating to all personal commercial solicitation on DoD installations (PL109-163 (sec. 877)). The Department responded by issuing strong new requirements through DoD Directive 1344.07, "Personal Commercial Solicitation on DoD installations." (March 30, 2006). This rule states that it is DoD policy to safeguard and promote the welfare of DoD personnel as consumers by creating a uniform approach for conduct of all personal commercial solicitation and sales. Most generally, these rules state that no person has authority to enter a DoD installation to transact personal commercial solicitation as a matter of right.

We are writing because of our concern over the growing prevalence of representatives of for-profit schools on military installations for marketing and recruitment purposes seemingly in violation of the Department of Defense's commercial solicitation rules. Despite the broad granting of Congressional authority and these new regulations to protect service members, we have become aware of troubling accounts of representatives of for-profit schools engaging in aggressive, deceptive, and sometimes downright offensive marketing and recruitment practices on what should be off-limit installations.

For example, according to a 2009 story from Bloomberg, Marine Corps Corporal James Long, a 22 year-old from Dalton, Georgia who suffered a brain injury that impaired his ability to concentrate when artillery shells hit his Humvee in Iraq in 2006, signed up for the online college Ashford College, a unit of Bridgeport Education Inc., after its recruiter gave a sales pitch at a barracks for wounded

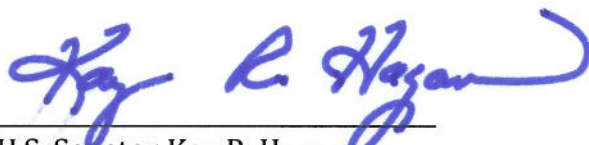
Marines at Camp Lejeune in North Carolina. When interviewed by Bloomberg, Corporal Long knew that he was enrolled at Ashford University, he just couldn't remember what course he was taking. Under base rules, the barracks are off-limits to college recruiters. (Bloomberg, December 15, 2009)

While this is just one example of a particularly egregious violation, unauthorized marketing pitches by for-profit recruiters have seemingly become widespread on military bases. According to the branch manager of lifelong learning at Camp Pendleton in California, "some of these schools are a little underhanded" (Bloomberg, December 15, 2009). Another lifelong learning director stated that schools have completely ignored the anti-solicitation rule and cited another incident at Camp Lejeune, in which a recruiter for a for-profit institution ignored instructions that she was only allowed to meet potential students in the bases' education center. Instead, this recruiter pitched the school's online program in the recreation room of a barracks for wounded Marines.

Considering the troubling information and statistics that the Senate Health, Education, Labor and Pensions Committee uncovered about the enormous growth in Tuition Assistance and GI Bill dollars captured by for-profit schools, including the targeting of active duty servicemembers, military spouses, and veterans, the access granted to these educational salesmen is particularly troublesome. In fact, the data suggest that these schools are successful at enrolling service members and veterans, but fail to provide them with a quality educational experience: eight of the top-10 recipients of Post-9/11 GI Bill benefits were for-profit education companies that collectively received \$626 million dollars, which is 25 percent of the \$2.5 billion disbursed, during the 2010-11 award year. However, a combined 409,437 students at these eight for-profit college companies dropped out from degree programs within one year of enrolling.

We therefore urge you, by February 1, 2012, to inform us: (1) why situations such as Corporal Long's were allowed to occur despite the limitations on commercial solicitation on military installations, (2) what steps you have taken or are taking to ensure that commercial solicitation by for-profit education services that violate DoD Directive 1344.07 are not occurring on military installations, and (3) what other Department rules, policies, or oversight mechanisms like the Armed Forces Disciplinary Control Board are being, or you are planning to be, utilized to prevent such practices.

Sincerely,



U.S. Senator Kay R. Hagan



U.S. Senator Tom Harkin U.S.





U.S. Senator Thomas R. Carper



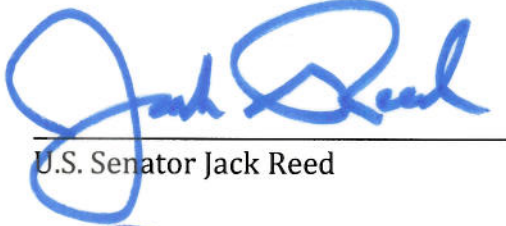
U.S. Senator John D. Rockefeller IV



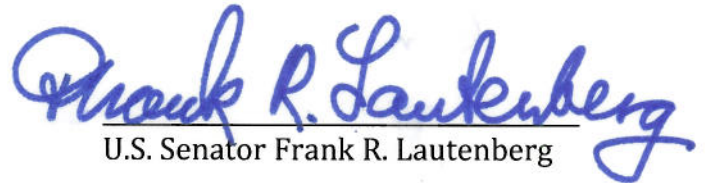
Senator Richard J. Durbin



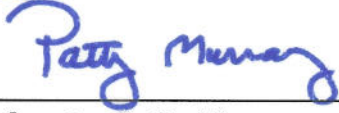
U.S. Senator Barbara A. Mikulski



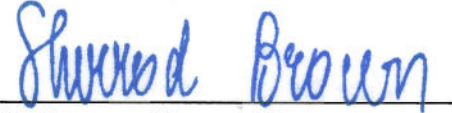
U.S. Senator Jack Reed



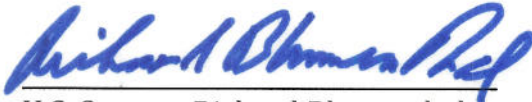
U.S. Senator Frank R. Lautenberg



U.S. Senator Patty Murray



U.S. Senator Sherrod Brown



U.S. Senator Richard Blumenthal